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DEPARTMENT OF OVERSEAS TRADE.

REPORT
ON THE
ECONOMIC CONDITIONS
IN
CUBA.

Dated September, 1923.

BY
MR. D. ST. CLAIR GAINER,
Acting British Consul-General, His Majesty's Legation, Havana.



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DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following Services of Commercial Intelligence Officers :—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 13 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two in South Africa (Johannesburg, Cape Town); two in Australia (Melbourne, Sydney); two in India (Calcutta and Bombay—to cover also Ceylon); and one each in New Zealand (Wellington), British East Africa (Nairobi), and British West Indies (Trinidad).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners, there are correspondents with whom the Department deals direct.

2. IN FOREIGN COUNTRIES.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

This service consists of between thirty and forty posts in all, and the officers of the service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular offices in his area, and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

(b) The British Consular Service.

This service has been re-organized. Particular attention has been given to the commercial side of consular work.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

A handbook giving fuller details of the overseas organization of the Department can be obtained on application at the Department of Overseas Trade, 35, Old Queen Street, S.W.1.

NOTE.

I should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

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REPUBLIC OF CUBA.

Area (including Isle of Pines) 44,164 square miles.
 Population at December 31st, 1922 3,123,040

Principal Towns :	Population.
Habana	363,506
Santiago de Cuba	62,083
Camaguey	41,909
Matanzas	41,574
Cienfuegos	37,241

Principal Harbours :

Havana, Matanzas, Cardenas, Nuevitas, Santiago and Guantanamo
 (U.S. Naval Station).

Land under cultivation :	Acres.	Value.
Sugar land	1,375,000	\$180 million
Tobacco land	—	45 „

Railways : about 3,600 miles.

Roads : about 1,500 miles.

Temperature : Range, 12° F. Extremes, 60°–92° F.

Rainfall : about 54 inches annually.

CURRENCY.

CURRENCY AND EXCHANGE.—Cuba possesses its own gold, silver and nickel currency, which throughout the Island circulates on a par with United States money. At the present moment there is no Cuban paper currency, only United States bills being in use, and these circulate on a par with Cuban gold and silver in Cuba.

The following gold coins are in circulation : 20, 10, 5, and 1 peso.

Silver coins are as follows : 1 peso, 40 centavos, 20 centavos, 10 centavos, and nickel, 5 centavos, 2 centavos, 1 centavo.

Exchange on the United Kingdom follows the fluctuation of the dollar sterling rate on New York and London, and there are no special items of interest as regards Cuba.

WEIGHTS AND MEASURES.

The metric system is obligatory. Local weights and measures in current use or mentioned in this report are :—

1 Caballeria	=	33·1619 acres.
1 Arroba	=	25 lbs., or 11·502 kilogs.
1 Quintal	=	4 arrobas or 100 lbs.

REPORT

ON THE

ECONOMIC CONDITIONS IN CUBA,
SEPTEMBER, 1923.

I.—GENERAL.

The year opened on a note of optimism and a much more hopeful tone was noticeable throughout the Island. The \$50,000,000 loan was received from the United States, the price of sugar rose steadily, and though it has declined somewhat again it is still well above last year's price; the political horizon was not unduly overshadowed, and local industries seemed to be moving towards a return of prosperity. Building which had been dormant since 1920 suddenly sprang into life, and it really seemed as if the crushing trade depression had once for all lifted. However, in spite of these encouraging signs a sense of disappointment is now making itself felt. Business is not as flourishing as it should be, and there is still some severe depression on the local market. It is hard to say why this should be so; some ascribe it to the 1 per cent. sales tax which was recently imposed. Loans are difficult to obtain, and the lack of capital is making itself felt. Unfortunately the increased price of sugar—owing to various factors, especially an anticipated shortage—has caused some speculation which can never be considered as healthy business.

In spite of the present slackness the picture now presented by Cuba is a very different one from that of the last three years, and slow as things are at present the improvement has been too definite and too maintained not to argue the best of prospects for the future.

Even in the textile market, for so long utterly disorganized, a very definite improvement has taken place, while the foodstuff and iron and steel markets are good.

It is difficult to point out precisely where British trade has benefited or is benefiting by the changed conditions in the absence of any recent statistical figures, but enquiries for British goods are much more numerous, and there is a very healthy demand for British agencies and connections. In the British textile trade—of not inconsiderable importance—fresh orders are being placed for which cash is largely being paid, and though full recovery of past indebtedness cannot be expected, compositions have been entered into and a fresh start made.

Much interest is evinced as to Great Britain as a customer for Cuban sugar. Trade returns for 1922 show that Cuba has entirely taken the pre-war place of Austria and Germany as supplier of sugar to Great Britain, and the Cuban sugar world generally is hoping that this market will not only be retained but also expanded.

A friendly view of British-Cuban trade is established, and the efforts Great Britain has made in the debt settlement with the United States have had a great effect on economic opinion.

It is well that the Cuban commercial world should not lose sight of the fact that Great Britain is a very valuable alternative market for Cuban produce—sugar and tobacco ; as this becomes clearer a more lively interest in the United Kingdom as a source of supply will be evident. British trade comes at present second on the table, but a very poor second in comparison with that of the United States of America. This, however, cannot materially be altered ; political, economic, geographical and other factors render the United States of America predominant, and the United Kingdom must be content to take second place as a supplier though no effort should be spared to make that place as impregnable as possible.

Population.—The population of Cuba as at December 31st, 1922, was 3,123,040, as compared with 2,889,004 in 1919. Similar figures for the white population were (1919) 2,088,047 ; (1922) 2,193,936 ; for the coloured population : (1919), 800,957 ; (1922), 809,886. Unclassified, 1,134 ; immigrants unclassified, 118,084. The total increase in population since 1919 is thus 234,036.

Immigration.—During the past year and up to the present date there has been visible a shortage of labour in the cane fields. This is caused by a striking decrease in arrivals of immigrants suitable for employment as plantation labourers. During, 1921-22, the fiscal year, only 20,184 immigrants landed in Cuba, as against 148,361 in the preceding fiscal year. Immigration of British West Indians fell very noticeably from 27,713 in 1921 to 3,397 in 1922, while the figures show that 60,000 less Spaniards arrived in the same period. The figures for the fiscal year up to June 30th, 1923, are as yet not available, but it is fairly certain that little, if any, improvement has taken place. The total of immigrants for the calendar year 1922 was 25,993, as against 58,948 in 1921, a decrease of 32,955 persons.

This is traceable to some extent to the disillusionments suffered by the labourers who arrived in Cuba imagining it to be El Dorado and found the cost of living extremely high.

Recently large numbers of eastern Europeans have been arriving in Cuba. Roughly speaking they are not immigrants except perhaps to the United States of America. However, being restricted from entering that country many have settled down in Cuba, where they seem chiefly to subsist as street hawkers and fruit vendors.

Of immigrant settlers, in the accepted term, there have been few. The really expensive living conditions and lack of Government encouragement to this class of settler have operated unfavourably.

Cost of Living.—It is fairly safe to make the general statement that where the dollar is the accepted standard the cost of living is higher than is usual in Europe. That is certainly true

as regards Cuba, which still retains its position of one of the world's more expensive countries. And yet prices have fallen very largely since 1920, when they reached the zenith. But the fact that Cuba is both a producing and an importing country is at the root of the trouble. She does not consume what she produces, her products are for export and her imports are for consumption. Other factors play their part; the Island is a winter resort, and annually attracts large numbers of tourists, and prices are of little moment to the majority of tourists who come to spend money.

On the whole prices can be said to be some 25 per cent. to 30 per cent. above the average prices ruling in England. Clothing and foodstuffs are very expensive and rents are extremely high.

Tourist Season.—So much wealth comes annually to Cuba by reason of her tourist season, that it is a factor that cannot be lost sight of in an economic report on Cuba.

For some years past Cuba has been endeavouring to attract to Havana as many tourists as possible, and in recent years propaganda efforts have been crowned with success.

The "Tourist Law" has been the parent of a number of attractions, indeed the concessions granted to the Casino, Jockey Club and Playa are offspring of this law, which was made in order to give Government support to the traffic.

This winter season the results achieved have exceeded all expectations, and the committee in charge of the tourist regulation business announces an increase of 35 per cent. over last year's numbers, and last year was a good one.

Calculating that something approaching 200,000 tourists visit Havana between November and March, and considering that each tourist spends on an average at least \$100 it is not difficult to estimate the value of the traffic to Cuba.

In addition this stream of tourists stimulates the sale of goods and helps to enlarge the market in many respects.

It is estimated that the number of tourists who will visit Havana during the coming season will fall not far short of a quarter of a million.

II.—FINANCE.

Revenue and Expenditure.—The budget for 1922-23 provided for an income of \$55,600,000·00 and an expenditure of \$54,800,000·00, thus leaving an estimated surplus of \$800,000·00, while that for 1923-24 passed on June 28th provides for an income of \$68,500,000·00 and an expenditure of \$61,672,169·28, a surplus of \$6,827,830·72.

Heavy as these figures may appear in relation to the population of Cuba, they are by no means too heavy for that population to bear; in fact, Cuba can live comfortably within her means without undue taxation.

The chief item on the income side is customs revenue,

\$31,061,000, while those on the expenditure side are: Debt reduction and interest, \$12,248,492, Army and Navy, \$9,516,024, and education \$9,578,451.

It may perhaps appear strange that agriculture, which is indeed Cuba's all in all, should only be allotted some \$783,973 in the budget. But this industry needs but little Government support, the sugar almost grows itself owing to the extraordinary fertility of the soil, and the sugar business is backed by a very heavy capital.

The Government revenue for the first eleven months of the fiscal year has been \$62,203,460, and an estimate for the month of June of \$7,500,000 makes a total of \$69,703,460, giving a surplus of \$14,103,460 on the estimates.

Debts.—Cuba's indebtedness is heavy, but so rich is the Island that this indebtedness should give little cause for anxiety. The sum of \$12,248,492 is provided for in the budget for the coming fiscal year for the reduction of and interest on the debt.

This includes \$7,142,200 set aside for exterior debts and \$5,106,292 for interior debts.

The following are the principal items of indebtedness at the present moment :—

Exterior Debt.

	\$	Interest.
Messrs. Speyer & Co. ..	21,062,500	5 per cent. p.a.
" " " " ..	15,298,000	4½ per cent.
" J. P. Morgan & Co.	8,650,000	5 per cent. p.a.
" " "	49,749,000	5½ per cent. p.a.
	<u>94,759,500</u>	

Interior Debt.

37,000,000
<u>131,759,500</u>

There are other smaller debts in existence.

In addition to the above, which may be called ordinary indebtedness, there is a so-called "floating debt," the total of which it is impossible accurately to determine, but which consists of "claims" against the Government for salaries, pensions, wages, contracts, etc., etc. These claims are being examined by a Commission, and numbers of them have recently been approved for payment.

Banking.—Except for a few smaller and some private Cuban banks, the banking business of Cuba is in the hands of large foreign corporations. The principal amongst these are :—

The Royal Bank of Canada, the National City Bank of New York (both with many branches throughout the Island), the Canadian Bank of Commerce, and the Bank of Nova Scotia.

Some important banks, including the National Bank, operating a few years ago, succumbed to the sugar slump, and went into

liquidation, and the important bank of Pedro Gomez Meña has been taken over by the Royal Bank of Canada.

The banking business in Cuba is very large, and there is room for more banks. That this is so is proved by the fact that two Federal Reserve Banks, viz., those of Boston and Atlanta are shortly opening in Havana, and in addition two Chinese banks, viz., the Hongkong and the Chinese Merchants' Bank. The First National Bank of Boston opened its doors on August 1st. It is regretted that no London bank has seized the opportunity of opening up in Cuba.

Foreign Investments.—A very large amount of foreign capital is invested in Cuba, chiefly in sugar, railways and tobacco. British investments are in railways, with a very small amount in sugar and tobacco. The total of British investments in Cuba cannot much exceed £14,000,000. Quite another total, however, is represented by American capital, and a very good idea of the economic dependence of Cuba on the United States of America can be gathered from the figures given below, which are a brief summary of American investments in Cuba :—

	\$
American owned sugar mills and estates ..	621,219,766
American controlled mills and estates ..	125,000,000
Investments by Americans in railways, etc. ..	156,250,000
Due to Americans for machinery supplies, etc., to sugar mills	128,600,000
	\$1,031,069,766

These figures relate almost entirely to the United States of America sugar interests in Cuba, as apart from other industries, and it is of interest to note that American sugar interests in other parts of the world have an estimated value of \$545,000,000, slightly more than one-half of the Cuban sugar interests.

Investments of other countries are a negligible quantity, with the exception of Spanish investments in tobacco and sugar.

Insurance.—For some years past British Fire Insurance Companies have been occupying a prominent place in the insurance world in Cuba.

These companies, together with local and foreign companies, have formed an association for the regulation of tariffs, by name *Asociacion Cubana de Companias de Seguros contra Incendios*, to which belongs practically every company of importance. The Association is affiliated to the Fire Offices Committee (Foreign) of the United Kingdom and to the American Association of Companies in the United States of America, and is thus in a sense subordinate to the parent associations. The adviser of this Association is an Englishman.

The companies forming part of the Association comprise the following: British, 22; American, 11; Cuban, 12; French, 1; Swiss, 1; and Spanish, 1; making a total of 48.

The names of the British companies will be found in Appendix No. VI.

While it is not easy to estimate the approximate amount of British or foreign capital interested in fire insurance in Cuba, it is sufficient to state that the laws of Cuba require that every company operating within the Republic must deposit with the treasury the sum of \$75,000 in cash or gilt-edged securities.

A comparison by years of the total earned premiums of all the fire insurance companies in Cuba is of interest as showing the development of the business :—

The figures are as follows :—

	1915-16.	1916-17.	1917-18.
	\$	\$	\$
British	1,719,809	1,929,968	1,952,097
American	367,276	453,360	506,953
Continental	223,078	203,099	133,515
National	84,544	177,806	626,194

	1918-19.	1919-20.	1920-21.
	\$	\$	\$
British	2,216,528	3,353,315	3,191,696
American	670,662	1,173,587	1,539,015
Continental	79,015	101,945	139,432
National	1,148,618	1,525,729	1,291,681

Fire insurance in Cuba is considered a very sound physical risk. There is a certain amount of competition from American companies outside the Association.

III.—TRADE AND INDUSTRY.

TRADE.

General.—The figures for the year 1922 show that the total turnover of trade of the Republic of Cuba was \$506,344,007, or no less than \$175 per head of population ; a figure which cannot fail to be astonishing.

Imports figure at \$180,259,062 and exports at \$323,911,735, re-exports accounting for \$2,173,210. The balance between imports and exports in favour of Cuba is thus \$143,652,673.

This happy state of affairs is due to the value of the sugar exports, and large as the tobacco exports are, they are negligible beside them.

Both as regards imports and exports the United States of America is a long way ahead of anyone else. The second on the list is, as stated above, the United Kingdom.

The value of imports in 1922 was no less than \$176,176,037 less than in 1921, while the exports in 1922 exceeded the exports of 1921 by \$45,780,995.

The large rise in the value of exports is due to the record sugar crop and the increasing price of that commodity.

Imports from the United States diminished by some \$145,329,123, while imports from the United Kingdom showed a reduction of \$8,026,031; to both countries the exports showed a considerable increase.

Tables showing imports and exports by countries during 1921 and 1922 will be found in Appendix I B.

British Trade.—British trade in no way escaped from the general depression prevailing during the past few years, and British traders lost a great deal of money. There are, however, distinct signs of improvement, and no effort should be spared by British firms to enter or re-enter this market.

Prices generally have declined in the United Kingdom, and in several lines are now under the United States prices; in spite of competition, geographical disadvantages, tariff discriminations, etc., British trade is making headway.

Better shipping facilities, more representatives, and a better study of this market would tend to accelerate progress, but British traders seem still to nourish some distrust of this market and are not always prepared to grant the terms other countries grant.

There has been during the last few months some depression in the local trade, but more and more firms in Cuba, some of very good standing, are betraying interest in British offers and endeavouring to make British connections, and the increasing buying of Cuban sugar by the United Kingdom is bringing that country more and more to the notice of the Cuban importer as a source of supply.

Reports on the conditions of the various markets are to be found below, p. 13.

Foreign Competition.—Mention has already been made of the predominating position of the United States in this market, and indeed, when foreign competition is mentioned those words may be said to be synonymous with American competition. Spain, France and Germany are the other competitors, Spain coming closely behind the United Kingdom.

The United States compete in every line except perhaps in the finer textiles. In this market the United Kingdom holds its own. Spain competes in natural produce, soaps, etc., and to some degree in boots and shoes, leather and leather goods, etc. France in textiles, silks, perfumes and cosmetics, especially high-grade toilet soaps, and Germany in iron and steel, hardware, hollow ware, china, earthenware, etc., but for the present Germany is experiencing great difficulty in delivering.

In automobiles, tractors and sugar mill machinery the United States of America predominate, though the United Kingdom

retains some share of the latter trade. The United Kingdom is at present well able to compete in the paper trade, and is doing so successfully. Competition is very keen, and good advertising is essential to meet it.

The Various Markets.

Cottons and Linens.—There is a pleasing activity now noticeable in this market, and this is being well met by British exporters. While more firms are becoming eligible for credit, care must still be exercised in dealing with local textile firms with few exceptions, as they were severely hurt during the crash. The better firms are paying their past debts, some have made compositions and new orders are being paid for in cash in some instances.

It cannot yet be said that the market is normal.

Woollens.—Suitings of light-weight woollens enjoy a good market in Cuba, also flannels. This trade was lost by the United Kingdom to the United States of America during the war, and has not yet been recaptured, though some progress has been made.

Woollen cloth or palm beach is proving a popular substitute for linen drills and a tropical cloth, made of pure wool, with an admixture of cotton, is also in demand.

Mixtures of wool and cotton, plain piece dyed woollen containing cotton, plain and fancy serges and fancy worsteds all find a demand.

This is a market worth an effort to recapture in view of the high prices of woollen goods in the United States of America.

Iron and Steel.—The market is active. Building is in full swing and constructional iron and steel is in good demand. Several abandoned houses are being reconstructed and new houses are continually springing up. Further, a considerable extension is being made of one of the principal Havana hotels.

Fancy iron grills and gratings for doors and windows are in good demand.

Hardware and Hollow Ware.—There is a good and increasing demand for British hollow ware which for some time past has not made so good a showing as in previous years. Enquiries for British exporters of these goods have been frequent, both with a view to direct purchase and representation, and though British prices are somewhat in excess of American prices, the competition can be met by light-weight, good quality articles at "rock-bottom" prices. Competitors in this market are the United States of America, France and Germany.

China and Glassware.—There is a noticeable activity in this market, British chinaware and earthenware are deservedly popular; prices are about competitive and enquiries are numerous.

Soaps, Perfumes and Cosmetics.—The market for all of the above articles is large. The United States of America, United

Kingdom, France and Spain are interested. The bulk is American, but France supplies a high-class toilet soap, also Spain, and French cosmetics and perfumes are an important item of French-Cuban trade.

The United Kingdom and the United States of America compete in toilet and bath soaps, while the United States of America controls the market in medicated soaps.

The average annual imports of fine soaps to Cuba are \$500,000, while perfumes and cosmetics account for some \$1,800,000. This is not a British market, and there is little evidence of any effort to make it so. A considerable increase in advertising should be contemplated by British firms.

Paper.—There is a good market for paper, and British firms have every prospect of competing successfully. British prices are more than competitive, they are considerably lower than the United States of America prices, and though the bulk of the trade is American the British part should without difficulty be much increased.

Boots and Shoes.—Here again, the United States of America has it very much her own way, and the style of boot and shoe in use is typically American. The market is of value and would repay close study on the spot by British exporters. The demand is good.

Various.—Other markets which in a greater or lesser degree would probably respond to British endeavours are :—Cutlery, sporting guns and rifles, sports goods, especially tennis equipment, foodstuffs such as pickles, jams, jellies, etc.

The Automobile Market.—European motor vehicles are not well represented in Cuba. The chief source of supply is the United States of America. This is due to the low initial cost of manufacture by mass production, standardized parts, preference in tariff rates (United States of America 20 per cent. *ad valorem*, others 25 per cent. *ad valorem*), and especially to the excellent service stations for the United States of America cars. The light car is in good demand, but the roads are not all they might be, and this prevents more activity in the market. Imports of passenger cars from July 1st, 1920, to July 1st, 1922, totalled 5,117, of which 4,722 came from the United States of America, 167 from France, 162 from Germany, 29 from Spain, and 37 from other countries. A special export model of British make might do some good, otherwise the chances of a British manufacturer wishing to enter this valuable market are very slight.

PRODUCTION.

Sugar.—On sugar the wealth of Cuba entirely depends, and Cuba produces about 25 per cent. of the world's supply. The 1921-22 sugar crop was a record for Cuba, no less than 4,047,236 tons being produced, an increase over 1920-21 of 73,120 tons.

Sugar is, unfortunately, one of those staple articles in which there is much speculation in futures, and in consequence there is at all times fluctuation in the price. Towards the end of last year prices showed a slow though steady rise, but it was not until February that any great increase made itself felt.

The first estimates of the 1922-23 crop varied from 4,193,500 long tons to 4,102,857 "with normal conditions." Shortage of labour, accidents to mills, fires and unusual weather conditions soon combined, however, to reduce the estimate which sank to between 3,900,000 and 3,700,000 tons. The publication of the reduced estimate at once made an impression on the market which became "panicky." In the month of February the Department of Commerce in Washington published certain reports which read as if there was likely to be a world shortage of sugar of some 600,000 tons. The result of this publication was wild speculation in futures and prices rose rapidly from twenty to forty points the day after publication, while the next day the buyers forced up the price one hundred points, the maximum allowed by exchange rules.

In the following days considerable fluctuation took place and created a situation widely deplored amongst the sound sugar concerns, as it came at a time when sane and safe trading seemed to be Cuba's only chance of complete recovery. Though it has fallen somewhat the price of raw sugar is higher now than it has been since 1920.

At the beginning of the grinding season there were 182 mills on the active list out of a total of some 192 for the whole island—one was destroyed by fire and nine failed for various reasons to grind. In 1921-22 there were 187 on the active list.

Of the total of 192 sugar mills 91 are Cuban owned, 66 American owned, 23 Spanish owned, 5 Cuban-Spanish owned, 3 British owned, 2 French owned, and 2 others owned by international corporations.

The total production of sugar up to July, 1923, was 3,198,738 tons, compared with 3,235,385 in 1922. There were then seven mills still grinding as against 23 last year. There was at that date no doubt but that the total production of sugar this season would fall short of that of the previous season, and estimates then made placed the crop at from 3,700,000 to 3,800,000 tons.

On September 10th the crop was practically at an end, the total production being at that date about 3,601,056, a decrease of 184,198 tons from last year's production on the same date. Estimates are already being made of the next crop, and as weather conditions in Oriente are very favourable the 1923-24 crop has been estimated at about 4,000,000. This is, however, guess press work, and hardly merits the name of estimate.

All mills have ceased grinding, and subject to a few small adjustments the figure remains about 3,601,056 tons.

The provinces of Oriente, Camaguey, Santa Clara and Matanzas in that order, are the best sugar producing districts of Cuba.

Raw sugar was quoted and sold in April at 6 cents per pound, and in consequence a surtax of 30 cents per bag was due as from that date.

The ordinary tax is 10 cents per bag, but the surtax of 30 cents becomes automatically effective when sugar reaches 6 cents or more.

The increase in the price of sugar was thought to be entirely due to speculations, and the press of the United States of America advocate a "Buyers' strike," causing for a short period a cessation of the buying of refined sugar, and consequently, some reduction in price.

A summary of active plantations by provinces with production of 1922, and an estimated output for 1923 in bags will be found in Appendix III.

Tobacco and Cigars.—Next in value after the sugar crop comes the tobacco crop and the production of cigars.

The total number of bales of tobacco exported from Cuba in 1922 was 387,251, an increase of 109,568 bales over 1921. In the same year there were exported 91,831,749 cigars, no less than 38,055,265 more than in 1921, while 21,077,054 "cartons" of cigarettes were shipped.

While the increase in the export of cigars is very large it is not abnormal when one considers that the number of cigars exported in 1921 was the lowest on record for a period of 60 years. The tobacco industry is thus in a flourishing condition, and is an extremely valuable asset to Cuba. In the first six months of the current year the United Kingdom has received from Cuba 13,060,542 cigars, against a total of 11,059,193 during the same period last year.

Tables showing the monthly export of cigars to the United Kingdom for the first six months of 1923, with values, and also the annual consumption by the United Kingdom of Cuban cigars for the last five years, with values, are given in Appendix No. IV.

Since 1891 up to 1919 the United Kingdom was the principal importer of Cuban cigars in the world. America has now taken that place as United Kingdom imports have fallen very heavily.

Cuba naturally attaches great importance to the United Kingdom as a market, and a feeling of disappointment is abroad over the still relatively small consumption in spite of the abolition of the 50 per cent. *ad valorem* duty in 1920.

The output of Cuban cigarettes has been generally restricted during the last month owing to a strike amongst the cigarette makers. This strike was, however, settled towards the end of July.

Alcohol.—The production of alcohol, both pure and as fuel, is rapidly becoming a very important item of Cuban industry.

In 1922 the total production of alcohol was almost 50,000,000 litres, of which some 18,000,000 litres were converted into motor spirit.

However, this industry has recently been passing through

a difficult period due to lack of supplies, and the National Union of Distillers, producing motor spirit, have called the attention of the Government to their position.

The Union claimed that for several years they have been working to increase the production of alcohol, and, indeed, have succeeded in doing so by no less than 250 per cent. In the year 1919 alone the output was 21,871,267 litres of alcohol, and this quantity has been gradually increased to its present figures.

This increase in production has been effected without Government help of any kind.

The alcohol industry in Cuba possesses 37 distilleries, represents a capital of more than \$25,000,000, and employs nearly 3,000 men. Its capital is Cuban, and the raw material—molasses—is also entirely Cuban.

Since the beginning of 1923 the price of sugar and its residue—molasses, the raw material of the industry—has been increasing, while the exports abroad of molasses have been very much higher than usual.

The present supplies are all in the hands of exporters, who are not disposed to sell to the distillers, and the Union have, therefore, been forced to ask Government support for this flourishing industry, the support to take the form of partial prohibition of export of molasses.

Pure alcohol, denatured alcohol, rum, aguardiente and motor spirit are some of the products of this industry.

Cattle.—The cattle-breeding industry of Cuba is probably the third in order of importance amongst Cuban industries. The capital invested in it is some \$350,000,000.

Of the superficial area of some 301 million acres, roughly one-third is devoted to cattle breeding, although in a somewhat primitive way. There is no particular cultivation of pastures except in certain places, chiefly in the provinces of Camaguey, Santa Clara and Oriente (Bayamo and Manzanillo).

There are to-day some 4,500,000 head of cattle in the Island. They are of very mixed breed; Durham and Devonshire blood is visible in Camaguey and Oriente and Hereford in Santa Clara. After the War of Independence, when the industry was practically destroyed, a great number of cattle for stud purposes were imported from Jamaica. In the province of Havana where dairy farming flourishes the breeders favour Holstein and Jersey blood.

A large number of animals are still imported for stud purposes, almost all coming from the Southern States of the United States of America, as animals from these parts acclimatize themselves more readily.

The health of cattle is good, though the feeding presents a problem, but breeders have planted large areas of guinea grass on the high lands and Parana grass on the low-lying swampy lands with good results.

There is little or no British capital involved to any extent

The general state of the industry is good, and the prospects excellent.

Henequen.—Some 8,000 acres of land are now under henequen cultivation, but there remains at least 1,000,000 acres suitable for this purpose.

The largest company cultivating henequen and elaborating the fibre owns some 200 caballerias under cultivation, with headquarters in Matanzas.

The annual production of fibre is estimated at eight million pounds weight, and the output of rope, cordage and string is in bulk about equal to the total production of fibre, and in addition to a considerable local consumption it is largely exported. The price of raw fibre in the United States of America is from 4 to 5 cents the pound.

This industry is capable of expansion, but it means the tying-up of capital for about four years before results can be obtained.

There has recently been some discussion as to a protective duty for the local product, but the companies interested oppose such a measure on the grounds that local production does not satisfy local consumption, and the necessity of importing fibre from Yucatan remains.

Citrus Fruit.—Grape fruit in Cuba, and more especially in the Isles of Pines, has been a fairly good proposition, but the industry has gone back in the last ten years, and to-day there are only some 5,000 acres under cultivation in Cuba proper.

The approximate yearly yield in Cuba is probably about 50,000 boxes, of which some 10,000 are exported to the United States of America.

The London market takes about 25,000 crates per annum, but this could no doubt be increased. While the industry in Cuba proper is going back there are prospects of further developments in the Isle of Pines due to the more favourable climatic conditions.

In the Isle of Pines there are about 2,500 acres under cultivation, and some two and a half million dollars are invested—entirely American and Canadian capital. New York receives some 50 per cent. of the output, Chicago 40 per cent., and other places in Canada and Europe the balance.

Prices range from \$2.75 the box to \$1.75 f.o.b. Nueva Gerona, Isle of Pines.

In 1922 a total of 217,731 crates of grape fruit were shipped from the Isle, and in the first three months of this year 46,926 crates were shipped.

Timber.—About one-sixth of the total area of Cuba can be termed forest land, and the best of this is situated in the provinces of Camaguey and Oriente.

The principal and most valuable Cuban woods are in, their order of importance: Cedar, mahogany and "majagua" (of the linden family). There are, however, many others, whose uses are restricted either by quality or quantity.

A conservative estimate of the amount of capital invested in the timber trade of Cuba is \$5,000,000, most of which is sunk in saw mills. The largest shipments made rarely exceed \$50,000 in value. There is little or no British capital interested.

The approximate annual consumption of timber is about 25,000,000 feet, valued at \$2,300,000. Exports are about 4,000,000 feet annually, 75 per cent. of which is mahogany, 20 per cent. cedar, and the rest "majagua" and other woods. The annual value of timber exported is about \$360,000.

About 80 per cent. of the export is to the United States of America and 20 per cent. to Europe.

There are as yet large tracts of virgin forest land untouched owing to lack of transportation facilities; these tracts lie in the provinces of Camaguey and Oriente.

Coffee.—The cultivation of coffee, formerly a valuable Cuban industry, with headquarters in Oriente province, has been steadily decreasing for a number of years, and finds itself at present in a very grave condition, so grave indeed that about two-thirds of the producers are inclined to abandon the cultivation at the close of the present crop.

The reasons underlying this state of affairs are, according to the producers, the entire lack of Government support, the high rate of interest charged on loans, viz., from 1 per cent. to 5 per cent. monthly, and the shyness of capital. Two measures which have been recommended are: (1) An educational campaign directed towards better methods of cultivation; (2) a Government loan to the Association of Coffee Producers of not less than \$200,000, from which that Association can make loans to the producers of three years' duration at a rate of interest not exceeding 6 per cent. per annum.

The reasons urged for Government action are that the coffee is cultivated by small landholders who produce some 350,000 quintals of coffee, that at least 25,000 persons are employed in the cultivation, and that it is better to encourage local industry than to rely entirely on imported coffee.

Mineral Wealth and Mining.

Copper.—The copper mines at Matahambre, Province of Pinar del Rio, are being worked, and during the period October, 1922, to March, 1923, produced 97,914 tons of copper ore (copper content 20 per cent.). Of this 22,984 tons were exported to the United States of America.

Iron.—The Bethlehem Cuba Iron Mines Company in Firmeza and Daiquiri had in the same period an output of 352,970 tons of iron ore. Of this 344,665 tons have been exported to the United States of America. Iron content 75 per cent.

The Sun Development Company in Bueycito, Bayámó, produced 4,131 tons, export 2,889 tons (content 75 per cent.).

Silver.—In Oriente an examination has been made of a silver mine named "Eduardito," situate in Guisa, municipality of Bayámó, revealing a vein of copper-sulphide and silver to an extent of 800 metres.

Asphalt.—Seepages of oil and liquid asphalt and veins and deposits of solid asphalt are found throughout the whole length of the Island in all of the six provinces.

The best known and most developed of the solid asphalt mines is situated near the port of Mariel, some 35 miles west of Havana. This property, which covers a very large area, is owned by a British company, and is operated under the direction of a British firm of mining engineers. Difficulties of transport and finance have tended, together with other factors, to retard the development of this mine. However, it is estimated that 70,000 tons of asphalt had been mined and shipped from Mariel prior to 1914. During the war operations were suspended, and were not renewed again until 1919, when one of the veins was attacked by a shaft and underground galleries at a depth of 200 feet. At this depth the vein has so far been opened up for a length of 700 feet, varying from 25 to 35 feet in width. It has been traced on the surface for over 3,000 feet by open pits, and at one point showed a maximum width of 70 feet. A bore hole on the vein showed asphalt at 450 feet.

Since this vein is only one of many known veins on the property it is apparent that the owners have an almost inexhaustible supply of material.

The same company owns valuable asphalt properties in the province of Havana and at Bahia Honda, Pinar del Rio, neither of which are being operated at present.

In the Bay of Cardenas are large deposits of a remarkably pure bitumen, and about 30,000 tons have been extracted without appreciably reducing the deposit, which is fed by springs from below.

Near Cardenas there are also wells that produce 20 barrels of liquid asphalt per day, and for this liquid asphalt there is a great opening for use as a fluxing material for the solid asphalts.

The Mariel mines are operated entirely by power produced from burning the asphalt.

Oil.—From the Union Oil Company's property at Bacuranao a small quantity of petroleum is being extracted, but up to the present time drilling for oil in Cuba has not met with any great degree of success, though oil has been obtained at several points. An oil boom followed the discovery of the wells at Bacuranao, containing 25° Beaumé oil at about 1,000 feet.

A well at Motembo, Santa Clara, produces 64° Beaumé naphtha, of which some 2,000 barrels have been sold for use in place of gasoline. Two wells in Matanzas Province produce small quantities of heavy oil, and one in Pinar del Rio is said to have discovered 28° Beaumé oil.

As against these the Anglo-American Company's well at Taco-taco proved dry at 4,015 feet, and the two wells of the Antillian Corporation proved dry at something over 3,000 feet.

During the last two years a more intensive study of the Island's geology has been made by experts. Their conclusions were optimistic as to future success, and as a result of their findings

a large American company has started drilling in the region of Bejucal. Indications of oil have been reported over an area of 8,000 square miles.

There is a scheme on foot to collect samples of Cuba's mineral wealth to be sent to the offices of the Pan American Union in Washington in order to show it and persuade capitalists to invest in Cuban mineral properties.

In a recent message to Congress the President drew the attention of that body to the fact that in the districts of Mayari, Moa Levisa and Cabonico there existed great tracts with a superficial deposit of iron ore. These deposits are said to be very great, and to constitute one of the greatest reserves in the world. Large drying plants would, however, have to be erected before the mineral could be put on the market.

LOCAL MANUFACTURES.

Paper.—The manufacture of paper as a local industry dates back in some form or other for a considerable number of years, although the present plant, owned and operated by the Compañía Papelera Cubana, is of recent erection, and has been modernised throughout.

This is the sole concern engaged in the manufacture of paper in Cuba, and its output is strictly confined at present to the production of "wrapping" paper, although the plant is so constructed as to be easily adaptable to almost any class of paper.

The present annual production, including paper bags, aggregates some 13,000 tons, and in view of the fact that this quantity is absorbed by the market immediately upon its production, the manufacturers contemplate alteration of the existing plant with a view to increasing this figure.

Pulp is chiefly imported from Norway, Sweden and Denmark, although from time to time shipments are purchased from the United States, and even from the United Kingdom.

Dyes are at present being obtained from the United States, as also jackets, cloths, etc., although the concern is willing at all times to consider prices submitted by United Kingdom manufacturers.

Local paper encounters very fierce competition from the imported article, chiefly of European manufacture (Scandinavian countries), which under the existing tariff can be landed in Cuba at a price which constitutes a constant menace to the local producer.

Soaps and Perfumes.—The manufacture of soaps and perfumes represents one of Cuba's earliest industrial enterprises (1863), but the progress has been slow. There are in operation to-day some four or five soap factories worthy of record, whose united annual output approximates some \$3,300,000 in value.

Production embraces both toilet and laundry soaps. Tallows, caustic ash, soda ash, though formerly obtained from Great Britain, are now found to be more profitably imported from the

United States. Supplies of palm oil, however, are frequently shipped from the United Kingdom.

Very keen competition is felt between local and imported soaps, chiefly French and American, and prices, comparatively speaking, are extremely low.

The Compañia Nacional de Perfumeria produces a wide range of perfumes, toilet preparations, etc., although the activities of the concern are undoubtedly cramped by the vast quantities of French goods with which the market is flooded.

Beer.—In the past the United Kingdom constituted a liberal contributor to this market. British beers have been widely recognised in Cuba for over a hundred years. With the growth and expansion of two local breweries, however, and the increasing popularity of the local beers, importation of foreign beers has, of necessity, decreased.

While the activities of these two local concerns are not easy to gauge statistically, it is probable that their joint output nears a total of two million barrels annually, an aggregate which in the future is likely to be increased.

Cement.—The Cuban Portland Cement Company, the only producers of the commodity in Cuba, began operations in April, 1918. This concern, which is a branch of the American International Portland Cement Company, owns an extensive and modern plant at Mariel in the Province of Pinar del Rio, from which port all cement is shipped by sea, no railroad at the present time being available.

To-day the company is producing 5-600,000 barrels of cement annually, while new construction has already been commenced, and will be completed early in 1924, which will ensure an output of over 700,000 annually.

Although the Cuban Portland Cement Company is the only local producer it by no means finds itself free from serious competition. Cement is imported from the United States, Canada, Germany and Norway, and as a convenient and profitable form of ballast for ships carrying sugar from Cuba, can be landed at keenly competitive prices. Under the revised tariff further protection will undoubtedly be provided for this industry, and the company will have things more its own way.

At present it is producing about 60 per cent. of the total Cuban consumption, of which 75 per cent. is absorbed by Havana.

Furniture Industry.—An account of Cuba's local industries would not, perhaps, be quite complete without mention of the Marianao Industrial Company. Formed in the latter part of 1919 with a capital of \$600,000, gravest difficulties were encountered by the company at the very commencement, due to the severe financial crisis suffered by Cuba at that time, and it is only with the recent improvement in local conditions that noticeable headway has been made.

Extensive workshops are owned at Marianao, where all types of furniture, of modern and antique design, are manufactured.

Only mahogany, grown in Cuba, is used, and under present conditions it is possible to undersell imported articles of furniture by at least 40 per cent.

In addition to the manufacture of high-class furniture the Marianao Industrial Company operates a retail business and holds various foreign agencies, among which are those of several United Kingdom manufacturers.

IV.—COMMUNICATIONS.

Roads.—The total length of the roads now in charge of the Government is 2,479 kilometres 698 metres, inclusive of 82 kilometres 747 metres in the Isle of Pines. Many of the roads are, however, in a very grave state of disrepair, though considerable reparation work is now taking place in all the Provinces.

The sum of \$850,000 is placed annually at the disposal of the Public Works Department for the upkeep of the roads. This year (1923-1924) \$6,000,000 have been allotted.

Railways.—The principal railway systems of Cuba are the United Railways of Havana and the Cuba Railroad Company.

United Railways.—The districts covered by this system are Pinar del Rio, Matanzas, Havana and Santa Clara, west of the town of that name. The total main line mileage is 1,210 miles. The United Railways of Havana and Regla Warehouse, Limited, is a British company, and was organized as such in 1898 with a capital of \$16,823,195. To-day the total authorized capital is £23,765,226 13s. 6d., and the capital issued £21,723,364 12s. 3d. In the year ended June 30th, 1922, the working of the railways showed a balance of £1,163,992 16s. 2d. (ratio of expenses to receipts 70·11 per cent.). A dividend of 4 per cent. was declared, and although the net earnings would have warranted a higher rate it was decided to adopt a conservative policy.

The Cuban Railroad Company.—This is an American company incorporated in 1902. The preferred capital stock is \$10,000,000, the common capital stock is \$15,000,000, and the total funded debt \$25,160,000. The net earnings for the fiscal year ending June 30th, 1922, were \$3,078,378·58.

The mileage is 663·1 miles. The ratio of operating expenses to gross earnings was 71·68 per cent.

There are other smaller railway systems in the island of which the North Coast Railroad is probably the most important, with about 120 miles of track.

Shipping and Ports.—British shipping in the first six months of 1923 shows some improvement over the same period in 1922, but it is still far below the pre-war standard. There are no new British lines running in Cuba, but the number of British ships lifting sugars in the smaller private ports is considerable. The Pacific Steam Navigation Company run a regular monthly service between Liverpool and

Valparaiso, calling each way at Havana, and the Royal Mail run their service from Valparaiso to New York, also calling at Havana. The Larrinaga Line, of Liverpool, and Messrs. E. Bigland and Company's ships of the Cuban Line, still maintain a regular freight service. Havana is, however, an important port for American shipping, and German, Dutch, Spanish, French and Italian liners call regularly. A ferry service is maintained between Havana and Key West of inestimable advantage to American exporters.

For the first six months of 1923 American shipping returns show 944 entries and 948 clearances. A table giving particulars of entrances and clearances of British shipping for the first six months of 1923 will be found in Appendix No. II.

The principal ports in Cuba are Havana, Matanzas, Cardenas, Nuevitas and Santiago de Cuba.

In the ports of Havana and Nuevitas, since the last report, dredging operations have been carried out on a fairly large scale. Efforts are being made to complete necessary alterations and repairs, and prolongation of certain wharves in Havana is estimated to cost in all \$1,522,000.

A further project is the reconstruction in reinforced concrete of all the wharves and piers owned by the State in Cienfuegos. The Port of Havana Docks Company have now completed the Santa Clara Wharf in Habana Harbour, a work of considerable importance. The United Fruit Company have now moved into the Santa Clara Wharf, and turned back the Machina Wharf to the Docks Company. The piers of this new wharf are 660 feet in length, and 210 feet in width. The superstructure of each pier is a two-storey reinforced concrete building, 150 feet wide, and extending to within 40 feet of the offshore end of the pier. The headhouse structure is 1,145 feet in length, and 63 feet and 83 feet in width. The pile-driving on land started in April, 1922, and the pier was occupied by the United Fruit Company in the month of March, 1923, the total time of construction being 10 months and 24 days.

Aviation.—It was proposed to start in April a double daily seaplane passenger service between New Orleans and Havana, with relays at Pensacola and Key West. Six planes were to be used in the service, two each between New Orleans and Pensacola, Pensacola and Key West, Key West and Havana, the passage being made in eight hours. This plan has not, however, materialized.

In December last a German aeroplane company endeavoured to establish an airway throughout Cuba and between Cuba, the United States of America, Mexico and Haiti, and to this end sent some Junker machines to Havana to give flights, but owing to lack of prospect and failure to procure the necessary capital, the scheme failed. An endeavour was made to secure an agency in Jamaica, but this, too, was abandoned.

During the winter months a regular passenger air service between Key West and Havana is maintained.

Cables.—The Western Union Telegraph Company has a one-cable system from Havana north to Key West, where it connects

with the company's land-line system throughout the United States and Canada.

The Commercial Cable Company of Cuba has one cable entirely submarine direct to New York, and in addition a separate system consisting of one cable direct to Miami, and connecting with a land-line system at that point. This, of course, is of great importance in the event of a breakage or other interruption in the direct New York cable.

Cable communication with Santiago is effected by the Cuba Submarine Telegraph Company, whose land line runs from Havana to Batabano, where it connects with the company's submarine cable via Cienfuegos and Manzanillo to Santiago.

Communication between Santiago de Cuba and the United States of America is effected by the All-America Cable Company, which operates a one-cable submarine system direct from Fisherman's point, near Santiago, to New York; the same company also operates a cable southwards to Colon.

As an alternative to the All-America cable system from Santiago to New York, a further cable operated by a French company communicates with New York via Haiti.

The Cuba Telephone Company has three lines to Key West, on which several telephone and telegraph circuits are worked, while this company also has a direct line to New York for the purpose of telephonic communication.

V.—LEGISLATION.

One per Cent. Sales Tax.—At the close of 1922 the Government of Cuba being desirous of obtaining a loan of \$50,000,000 from the United States, was faced with the task of providing a fresh source of revenue to meet the interest and amortization of the loan.

It was decided that a 1 per cent. tax on the gross value of sales, on produce and merchandise sold, exchanged or transferred, without deduction or discount of any kind, should be imposed. Certain classes of persons and certain articles were exempted from the tax for various reasons.

This tax duly came into operation in December, 1922, and in spite of initial difficulties as to application has produced good results. For the month of December, 1922, and for the first quarter of 1923 the total revenue from this source has been \$3,336,000.

Trade Marks and Patents.—The Republic of Cuba is a member of the Paris and Pan-American Conventions and patents and trade marks can be registered in Havana.

At the fifth Pan-American conference recently held at Santiago de Chile a convention for the protection of trade, commercial and agricultural marks, was agreed to by all the nations taking part in the conference, including Cuba.

Registration bureaux are to be maintained at Havana for the countries of North and Central America, together with Colombia and Ecuador, and at Rio de Janeiro for the remaining countries of South America.

Tariffs.—As reported last year a commission has been sitting to examine a proposal for a new customs tariff for Cuba. The inaugural session of this Commission met on November 30th last. For a while it appeared as if the tariff, which will operate very severely on British goods, was going to be passed this year, but recently there has been less heard of the Bill, and it seems fairly certain that some time will elapse before the matter becomes acute again.

Roughly the scheme is as follows :—A double column tariff is provided, the maximum about 30 per cent. higher than the minimum ; designed originally to increase revenue, but now also for the purpose of retaliatory measures against countries where it is considered Cuban produce is unduly taxed, it has the merit of being the first entirely Cuban tariff. Certainly the present Cuban tariff needs bringing up to date and placing on a scientific basis.

The principal items of British trade which will suffer from the proposed tariff are :—Textiles, provisions, soaps, etc. At present no action is being taken, but the Association of Cuban Manufacturers are about to renew their campaign for protection.

A measure which was at one time proposed but which has since not been heard of, was one providing for an increase of the tariff duties at present in force by 30 per cent. as a maximum column and leaving the present duties intact as a minimum column. Here the idea of retaliation was even more marked, certain countries being named which would come under the maximum tariff, viz., Spain, Great Britain and France. The new tariff would apply equally to American imports, though they would continue to enjoy the special reduction conceded by the reciprocity treaty. It is, however, generally understood that the treaty may be revived.

Tarafa Ports Bill.—This Bill was passed by the House on the night of August 9th/10th by 88 votes to 9. Discussion of and opposition to this Bill is very great.

The main idea is as follows :—

(1) The consolidation of the railroads, and (2) the closing of the sub-ports and the prohibition of creating more.

Ports in Cuba are divided into two classes—public and private ports. The latter ports have been made as a result of permission given to sugar and other companies to ship their produce from ports near their works instead of freighting it down to one of the public ports. In most cases the companies have put in their own light railways to the ports in question, and there are now some 47 of these.

Roughly the Bill is as follows :—Sanction is to be given for the constitution and organization of a company, national in

character, to acquire the whole or the majority of the shares of the railway companies in order to consolidate them and improve the transport system. This company is to be organized in accordance with the laws of the Republic of Cuba. The company thus constituted shall acquire shares in at least three railway companies, of which two must be Cuban companies having between them not less than 400 kilometres of line and whose systems are adjoining. The consolidation of the railways will not be obligatory, but once the company is formed other companies which desire to be consolidated must associate themselves with it or unite with it.

At the same time the private or sub-ports shall be abolished and no more created, but those companies which shall still make use of private ports must pay a tax of 5 cents for every 100 lb. of sugar shipped, 10 per cent. *ad valorem* on molasses, and 2 per cent. *ad valorem* on minerals, tobacco and other products, except fruit. Industries which in the future are established in a customs zone in which port there are no public railways shall pay to the State 15 cents for every 100 lb. of sugar, and the same rates as mentioned above on other produce.

Banking.—In April this year a proposed banking law was presented to Congress by the President of the Republic. The principal features of this law are as follows :—

(1) The establishment of a National Banking Commission charged, *inter alia*, with the duties of inspection, to which all banks, including foreign ones established in the Republic, will be subject. (2) The establishment of a Reserve Bank of Cuba, with (3) the right to issue notes.

The capital of the Reserve Bank is to be \$5,000,000 in Cuban or United States gold. The shares are to be \$100 each, divided into two classes, A and B. The A shares are to be offered to the Federal Reserve Bank of the United States of America at par, and to be held by that bank for a period not exceeding ten years. If these shares are duly taken by the Federal Reserve Bank, that bank shall have the right to appoint their directors of the Reserve Bank of Cuba. The latter bank shall alone be authorized to issue notes of the following denominations : \$1, 2, 5, 10, 20, 100, 500, 1,000, 5,000.

Provision is made for the following classes of banks whose duties and responsibilities are defined in the Bill, viz., commercial banks, agricultural credit banks, mortgage banks, savings banks and clearing houses, and they may not exceed their duties as defined without permission of the National Banking Commission. The regulations affecting these banks shall not, however, come into force until three years after the date of promulgation of the law.

There are certain grave objections to this Bill as far as the Canadian banks operating in Cuba are concerned. At present the matter is not, however, under discussion.

APPENDIX I.

A.

SUMMARY OF ECONOMIC PROGRESS DURING THE FISCAL YEARS 1912-13—
1920-21.

Year.	Popula- tion.	Exports.		Imports.	
		Value.	Per Capita.	Value.	Per Capita.
		\$	\$	\$	\$
1912-13 ..	2,469,000	165,207,000	66·91	132,289,000	53·58
1913-14 ..	2,539,000	170,130,000	67·00	131,822,000	51·91
1914-15 ..	2,609,000	214,914,000	82·37	122,811,000	47·07
1915-16 ..	2,679,000	301,954,000	112·71	171,809,000	64·13
1916-17 ..	2,749,000	332,332,000	120·89	234,832,000	85·12
1917-18 ..	2,819,000	376,880,000	133·70	297,001,000	105·35
1918-19 ..	2,889,000	470,259,000	162·77	313,166,000	108·40
1919-20 ..	2,909,000	855,138,000	289·50	434,189,000	146·00
1920-21 ..	3,029,000	395,915,000	130·70	570,930,000	188·48

B.

IMPORTS AND EXPORTS BY COUNTRIES, 1921 AND 1922.

	Imports.		Exports.	
	1921.	1922.	1921.	1922.
	\$	\$	\$	\$
United States of America ..	263,515,430	120,219,475	222,963,217	259,365,971
Other American countries ..	23,391,937	16,701,179	5,803,512	8,501,371
Germany ..	5,374,980	3,547,154	458,157	576,692
Spain ..	13,654,172	8,356,492	2,513,923	3,076,336
France ..	9,356,096	5,957,541	4,900,175	7,682,329
United Kingdom ..	17,067,867	9,102,135	26,533,160	37,964,250
Other European countries ..	67,750,089	4,374,683	4,055,875	3,416,501
Other Countries ..	15,292,048	12,000,403	10,833,411	31,328,285
	354,402,569	180,259,062	278,061,430	323,911,735

Excess Imports over exports, 1921 \$76,341,139
 „ Exports over imports, 1922 \$143,652,673

1922. \$
 Imports 180,259,062
 Exports 323,911,735
 Re-exports 2,173,210
 Total Trade 506,344,007

C.

PERCENTAGE OF TRADE FOR PERIOD 1911-20.

Country.	Imports.	Exports.
	Per cent.	Per cent.
United States of America	68·96	77·58
United Kingdom	6·18	14·65
Spain	5·77	1·03
American Countries	5·51	1·33
Canada	1·38	1·04
Other European Countries	7·03	3·92
Other Countries	5·17	0·45
	100	100

APPENDIX II.

SHIPPING.

British shipping through the Port of Havana for the first six months of the year 1923, January 1st to June 30th.

	<i>Entrances.</i>	No.	Total Net Tons.
United Kingdom		22	52,888
United States of America		111	344,332
Other Countries		82	189,720
Total		215	586,940

	<i>Clearances.</i>		
United Kingdom		19	71,232
United States of America		64	151,464
Other Countries		129	357,523
Total		212	580,219

APPENDIX III.

SUGAR.

SUMMARY OF ACTIVE PLANTATIONS BY PROVINCES IN 1922, WITH ESTIMATED
OUTPUT IN BAGS FOR 1923.(From the *Cuba Review*.)

	European Owned.		American Owned.		Cuban Owned.
	1922.	1923.	1922.	1923.	1922.
Pinar del Rio	212,523	220,000	104,671	145,000	523,649
Havana ..	390,022	380,000	708,058	685,000	1,050,054
Matanzas ..	158,251	189,000	1,928,527	1,825,000	1,354,504
Santa Clara ..	1,257,591	1,165,000	1,678,398	1,580,000	2,865,255
Camaguey ..	370,675	500,000	4,396,767	5,010,000	1,792,987
Oriente ..	692,082	580,000	6,657,513	6,080,000	1,782,079
	3,081,144	3,034,000	15,473,934	15,325,000	9,368,528

	Cuban Owned.	Totals.		Active Mills.	
	1923.	1922.	1923.	1922.	1923.
Pinar del Rio	595,000	840,843	960,000	9	10
Havana ..	975,000	2,148,134	2,040,000	18	17
Matanzas ..	1,325,000	3,441,282	3,339,000	31	29
Santa Clara ..	2,705,000	5,801,244	5,450,000	58	56
Camaguey ..	2,245,000	6,560,429	7,755,000	27	27
Oriente ..	1,606,000	9,131,674	8,266,000	44	43
	9,541,000	27,923,606	27,810,000	187	182

In all, there are 192 sugar mills in Cuba. Of these, 91 are Cuban owned and 66 American owned, 23 Spanish owned, and 5 Cuban-Spanish owned, 3 British owned, 2 French owned, 1 American-Cuban owned, and 1 Cuban-Canadian owned. In 1923 1 was destroyed by fire and 9 failed to grind, leaving 182 on the active list, as against 187 in 1922.

APPENDIX IV.

CIGAR EXPORTS TO THE UNITED KINGDOM FOR FIRST SIX MONTHS OF 1923, COMPARED WITH 1922, AND EXPORTS FOR LAST FIVE YEARS.

Month.	1923.		1922.	
	Cigars.	Value.	Cigars.	Value.
		\$		\$
January	2,013,192	216,372	1,143,105	122,428
February	2,318,384	248,276	1,643,387	160,733
March	2,938,455	338,616	3,452,873	361,872
April	1,499,761	171,761	1,899,356	195,939
May	1,416,980	164,365	1,231,297	136,287
June	2,873,770	327,443	1,689,175	197,959
	13,060,542	1,466,833	11,059,193	1,175,218

Year.	Cigars.	Value.
		\$
1918	59,909,168	5,705,616
1919	65,115,931	6,521,072
1920	36,823,841	3,795,005
1921	12,020,433	1,328,728
1922	27,566,860	3,002,370

APPENDIX V.

TRADE WITH CANADA AND INDIA.

Canada.

	Imports from.	Exports to.
	\$	\$
1919	7,670,385	3,691,219
1920	5,720,628	17,479,986
1921	5,030,825	2,317,359

Though these figures show a trade balance against Canada owing to the latter's large purchases of sugar in 1920, the figures for the last ten years show a balance against Cuba of \$95,419.

TRADE WITH BRITISH INDIA IN 1921.

Imports from.	Exports to.
\$8,440,888.	\$7,365.

This large difference is accounted for by rice and sugar bags imports.

APPENDIX VI.

BRITISH FIRE INSURANCE COMPANIES OPERATING IN CUBA.

Alliance Assurance Company, Ltd.
 Atlas Assurance Company.
 Commercial Union Assurance Company.
 Employers' Liability Insurance Company.
 Guardian Assurance Company, Ltd.
 Law, Union and Rock Insurance Company.
 Liverpool and London and Globe Insurance Company.
 London Assurance Company.
 London and Lancashire Fire Insurance Company, Ltd.
 Motor Union Insurance Company.
 North British and Mercantile.
 Northern Assurance Company.
 Norwich Union.
 Phoenix Assurance Company.
 Queensland Insurance Company, Ltd.
 Royal Insurance Company.
 Royal Exchange Association Corporation.
 Scottish Union and National.
 Sun Insurance Company.
 Union Association Society, Ltd.
 Yorkshire Association Company.
 Caledonian Insurance Company.

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REPORTS by H.M. Trade Commissioners, Commercial, Diplomatic and Consular Officers on commercial and financial conditions in the following countries, issued or in course of preparation, by the Department of Overseas Trade.

(All prices are net and those in parentheses include postage.)

During the year 1923.

Angola ..	1s. 6d. (1s. 7d.)	*Italy ..	2s. 0d. (2s. 2d.)
†Argentina ..	(In preparation.)	*Japan ..	2s. 0d. (2s. 2d.)
Australia ..	(In preparation.)	Mexico ..	9d. (10d.)
*Austria ..	2s. 0d. (2s. 1d.)	*Morocco (with Algeria and Tunis)	(In preparation.)
*Belgium ..	2s. 6d. (2s. 8d.)	*Netherlands ..	2s. 0d. (2s. 1d.)
*Brazil ..	(In preparation.)	*Netherlands East Indies	3s. 6d. (3s. 8d.)
British West Indies	1s. 0d. (1s. 1½d.)	New Zealand	(In preparation.)
*Bulgaria ..	6d. (7d.)	*Norway ..	2s. 6d. (2s. 8d.)
*Canada ..	2s. 6d. (2s. 8d.)	Panama and Costa Rica	1s. 0d. (1s. 1½d.)
*Chile ..	2s. 0d. (2s. 1d.)	†*Paraguay ..	(In preparation.)
China ..	1s. 6d. (1s. 7d.)	†*Peru ..	(In preparation.)
†Cuba ..	(See Cover.)	Persia ..	9d. (9½d.)
*Czecho-Slovakia	1s. 6d. (1s. 7d.)	*Poland ..	1s. 6d. (1s. 7d.)
*Denmark ..	1s. 6d. (1s. 7d.)	*Roumania ..	2s. 0d. (2s. 1d.)
*Dominican Republic and Hayti	(In preparation.)	*Serb-Croat-Slovene Kingdom	1s. 6d. (1s. 7d.)
†East Africa ..	(In preparation.)	*Siam ..	1s. 6d. (1s. 7½d.)
†Ecuador ..	(In preparation.)	*South Africa	(In preparation.)
*Egypt ..	1s. 6d. (1s. 7d.)	*Spain ..	2s. 0d. (2s. 1d.)
Esthonia ..	1s. 0d. (1s. 1d.)	*Sweden ..	2s. 0d. (2s. 1d.)
*Finland ..	2s. 0d. (2s. 1d.)	*Switzerland ..	2s. 6d. (2s. 8d.)
France ..	3s. 6d. (3s. 8d.)	*Syria ..	9d. (9½d.)
*Germany ..	4s. 0d. (4s. 2d.)	United States of America	5s. 6d. (5s. 9½d.)
*Greece ..	1s. 6d. (1s. 7d.)	†*Uruguay ..	(In preparation.)
Honduras, Nicaragua, El Salvador and Guatemala	2s. 0d. (2s. 1½d.)	*Venezuela ..	(In preparation.)
*Hungary ..	1s. 6d. (1s. 7d.)		
Indo-China ..	(In preparation.)		

* A report on this country was published during the year 1922, and, in addition, during the same year, reports on the following countries:—

Colombia ..	1s. 0d. (1s. 1½d.)	Newfoundland ..	9d. (10d.)
Guatemala ..	1s. 0d. (1s. 1½d.)	Portuguese East Africa	6d. (7d.)
India ..	2s. 6d. (2s. 8d.)	Turkey ..	1s. 9d. (1s. 10½d.)

† A report on this country for 1922 was published early in 1923.

(The above publications can be obtained from the addresses given on the title page of this Report.)

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